

CALIFORNIA STATE TEACHERS' RETIREMENT BOARD

INVESTMENT COMMITTEE

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SUBJECT: Panel on Asset Allocation

ITEM NUMBER: 4

ATTACHMENT(S): 1

ACTION: \_\_\_\_\_

DATE OF MEETING: July 7, 1999

INFORMATION: X

PRESENTER(S): Mr. Mitchell

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One of the objectives for the 1998/99 fiscal year was to provide the Investment Committee with a series of educational presentations to assist in managing and monitoring the investment portfolio. This program was extremely successful and will be continued for the 1999/00 fiscal year.

This panel's topic is asset allocation. There is one representative from Callan Associates, Mercer Investment Consulting, and Pension Consulting Alliance. The biographical data is included as Attachment 1.

Determining the appropriate asset allocation is considered the most important function of the Investment Committee. Academic studies suggest that approximately 90% of the difference in the total rate of return between large pension plans can be attributed to the asset allocation decision. CalSTRS' policy is to complete an asset allocation review on a biennial basis. The asset allocation process is expected to culminate with the adoption of a formal asset allocation plan at the September 1999 Investment Committee meeting.

Each panelist will make a five-minute presentation. After the completion of the presentations, a question and answer session will follow.

To continue engaging discussions on a variety of topics, staff proposes the following schedule for the remainder of 1999 Investment Committee meetings: August – none (Securities Litigation in Corporate Governance), September – Y2K Review, October – Options and Futures, November – Non-U.S. Equity, and December – Real Estate Leverage.

## **BIOGRAPHIES**

### **ALLAN EMKIN**

#### **Managing Director**

Mr. Emkin founded PCA in 1988 and is currently a Managing Director. Mr. Emkin has primary responsibility for several client relationships including CalSTRS, CalPERS, Sacramento County, Santa Barbara County and Fresno County. Mr. Emkin has eighteen years of general consulting experience, with an emphasis on public administration and investment policy, non-dollar investments and real estate investments. Prior to forming PCA, Mr. Emkin was a Vice President at Wilshire Associates. At Wilshire Associates, Mr. Emkin was responsible for public plan relationships and was the director of international research.

Mr. Emkin maintains several state consulting relationships outside of California including the Minnesota State Investment Board, the Virginia Retirement System, and the Oregon Public Employees' Retirement Fund. Mr. Emkin also has worked with several associations and municipalities including three California counties, Colorado Fire & Police Pension Association, Houston Firemen's Relief and Retirement Fund as well as specific project assignments for several other California funds. In addition, before becoming a consultant, Mr. Emkin worked in the California's Governor's office, and prior to that he was a registered lobbyist for ten years.

Mr. Emkin is a frequent speaker at various forums and educational seminars, such as the Institute for Fiduciary Education (IFF), Pensions in the Nineties (now known as Pensions 2000), Institutional Investor, and Pension and Investment Age conferences.

### **TONI L BROWN**

#### **Senior Vice President**

Toni L. Brown, CFA, is a Senior Vice President at Callan Associates. Her clients include several major corporations as well as foundations/endowments. She works on all types of projects for her clients, including manager searches, asset/liability studies, and development of customized performance measurement reports.

Toni joined Callan Associates in January of 1990 and, prior to joining San Francisco consulting, was a manager for Callan's Client Report Services Group. In addition to supervising a staff of senior analysts, she was responsible for developing and implementing new performance evaluation products. Toni has also worked for regional consulting firm R V Kuhns and Associates.

Toni received her B.S. in General Business from the University of Denver and her M.B.A. from Arizona State University. She is a Chartered Financial Analyst. Toni belongs to the Security Analysts Society of San Francisco and is a member of their Education Committee. She is also a member of the Association for Investment Management and Research, and the Western Pensions and Benefits Conference.

**KRISTINE L. FORD**

**CFA**

Kristine Ford (Kris) is a senior consultant in the Chicago office of Mercer Investment Consulting. Ms. Ford works with corporate, defined benefit and defined contribution plans, Taft-Hartley plans, public funds, and endowment funds. Ms. Ford's primary client activities focus on the development and evaluation of investment programs, investment managers and custodians, and evaluation of performance results. Additionally, she has been involved in such projects as the search and selection for emerging minority investment managers, refinement of asset class and manager structure, and risk management evaluation.

Ms. Ford has over 24 years of experience in investment and employee benefit consulting. For the five year period prior to joining Mercer in August 1989, Ms. Ford was a senior executive with a Chicago investment management firm. As a founding member of that firm, she established various systems to support the internal financial records and both firm and client investment activity records. Her earlier positions were with Continental Bank, in investment analytical services and trust administration.

Ms. Ford graduated from the University of Illinois with a Bachelor in Science in Psychology and received a Masters of Business Administration from Lake Forest School of Management.